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SENATE
Senate Bill No. 2627

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Introduced by SENATOR SONNY ANGARA

AN ACT
PROTECTING SEAFARERS AND OTHER WORKERS AGAINST AMBULANCE CHASING
AND PROVIDING PENALTIES FOR VIOLATION THEREOF

EXPLANATORY NOTE

This bill is a counterpart of ANGKLA Partylist Representative Jesulito A. Manalo's HB No. 2643 entitled, "*The Anti-Ambulance Chasing Act of 2013, Thereby Amending Presidential Decree No. 442, Otherwise Known as the Labor Code of the Philippines, As Amended, Further Providing Protection to Seafarers and Other Workers, Together With Their Families*" and substituted by HB No. 5268 entitled, "*An Act Protecting Seafarers and Other Workers Against Ambulance Chasing and Providing Penalties for Violation Thereof*" or the "*Anti-Ambulance Chasing Act,*" which was passed and approved on third reading by the House of Representatives on December 16, 2014.

The Code of Professional Responsibility of lawyers dictates that one should not solicit legal business and has the obligation not to encourage suits so as to prevent barratry and ambulance chasing. However, despite this code of ethics, the practice of ambulance chasing has become rampant in the country, especially noted in the maritime industry.

Some lawyers have taken advantage of the plight of our seafarers who met an accident, illness or death in the course of their service. To exploit the compensation system, these law practitioners have purposely sought excessive labor claims not commensurate to their actual entitlement, if not at all bogus. Unwittingly, our seafarers have fallen prey to this scheme enticed by the promise of huge monetary award. Apparently, these ambulance chasers do not only resort to this unacceptable practice but also charge exorbitant legal fees and seek up to 40% of the total money claims granted.

A recent disability award by the National Conciliation and Mediation Board (NCMB) caused controversy. While records show that seafarer Renerio Villas only sustained 5% disability caused by loss of the tip of his finger and which should have only entitled him US\$12,500, the NCMB awarded US\$ 250,000 plus attorney's fees in his favor. According to report, this prompted its previous employer, C.F. Sharp Crew Management to replace its Filipino crew to Indians.

This is an alarming precedent detrimental to the Philippine maritime industry, in particular, jeopardizing the Filipino seafarers' position in the industry. Shipowners should not be deterred from hiring Filipino seafarers on the account of some professionals' unethical behavior. Thus, to address this issue in the maritime industry and the labor sector, as a whole, a legislative measure prohibiting and penalizing ambulance chasing must be enacted.

In view of the foregoing, swift passage of this bill is earnestly sought.


SENATOR SONNY ANGARA

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. This Act shall be known as the "Anti-Ambulance Chasing Act."
2

3 SEC. 2. *Prohibition of Ambulance Chasing.* -- It shall be unlawful for any person to engage in
4 soliciting, personally or through an agent, from a seafarer or any other worker or their heirs, the pursuit of
5 any claim against an employer for the recovery of monetary claim or benefit, including legal interest,
6 arising from accident, illness or death, in exchange of an amount which shall be retained or deducted from
7 the monetary claim or benefit granted to or awarded to the seafarer or other worker or heirs thereof.

8 SEC. 3. *Attorney's Fees.* -- Any lawyer who appears as counsel for the seafarer or other worker
9 or their heirs, in any case before the National Labor Relations Commission (NLRC) or any labor arbiter,
10 the National Conciliation and Mediation Board (NCMB), the Philippine Overseas Employment
11 Administration (POEA), the Department of Labor and Employment (DOLE) or its regional offices, or
12 other quasi-judicial bodies handling labor disputes, shall be entitled to an attorney's fees not exceeding ten
13 percent (10%) of the compensation or benefit awarded to the seafarer or other worker or heirs thereof. This
14 fee shall not be payable before the actual payment of the compensation or benefit. Any stipulation to the
15 contrary shall be null and void.

16 SEC. 4. *Penalties.* -- Any person who violates Section 2 of this Act shall be punished by a fine of
17 not less than fifty thousand pesos (P50,000.00) but not more than one hundred thousand pesos
18 (P100,000.00), or by imprisonment of one (1) year but not more than two (2) years, or both fine and
19 imprisonment. The same penalties shall be imposed upon any person who shall be in collusion in the
20 commission of the prohibited act stated in Section 2 hereof.

21 SEC. 5. *Implementing Rules and Regulations.* -- Within ninety (90) days from the approval of
22 this Act, the Secretary of Labor and Employment shall promulgate the necessary rules and regulations for
23 the effective implementation of the provisions of this Act.

24 SEC. 6. *Repealing Clause.* -- All laws, orders, issuances, decrees, rules and regulations
25 inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

26 SEC. 7. *Effectivity.* -- This Act shall take effect fifteen (15) days after its publication in the Official
27 Gazette or in a newspaper of general circulation.

28 Approved,